

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

CB1 CAPITAL ADVISORS LLC,

Plaintiff,

v.

4FRONT VENTURES CORP.,

Defendant.

Civil Action No.: 25-cv-4767

COMPLAINT

Plaintiff CB1 CAPITAL ADVISORS LLC (“CB1”), by its attorneys, TARTER KRINSKY & DROGIN LLP, as and for its complaint against 4FRONT VENTURES CORP. (“4FRONT VENTURES”), alleges as follows:

NATURE OF THE ACTION

1. CB1 brings this lawsuit to enforce its rights under a September 28, 2020 Consulting Services Agreement between 4Front Ventures and CB1 (the “Agreement”), an August 2, 2023 Amendment Agreement between 4Front Ventures and CB1 (the “First Amendment”), and a September 1, 2023 Amendment (the “Second Amendment”). Pursuant to these contracts, CB1 provided consulting services to 4Front Ventures and is owed \$400,000 from 4Front Ventures. (Attached hereto as **Exhibit A** is a true and correct copy of the Consulting Services Agreement dated September 28, 2020; attached hereto as **Exhibit B** is a true and correct copy of the First Amendment Agreement dated August 2, 2023; attached hereto as **Exhibit C** is a true and correct copy of the Second Amendment Agreement dated September 1, 2023).

2. Although CB1 was owed money in connection with the contracts between CB1 and 4Front Ventures for consulting fees due and owing for the period from December 2023 through present, 4Front Ventures has not paid CB1 and has given no indication that it will ever do so.

I. THE PARTIES

3. CB1 Capital Advisors is a Delaware limited liability company created and existing under the laws of the State of Delaware, with its principal place of business located in the State of New York, in Nassau County, at 1051 Port Washington Blvd., #1053, Port Washington, New York 11050. The three members of CB1 Capital Advisors are residents of the State of New York.

4. Upon information and belief, 4Front Ventures Corp. is a Canadian corporation organized under the laws of the Country of Canada, Province of British Columbia, with its principal place of business located at 7010 E Chauncey Lane, Suite 235, Phoenix, Arizona 85054, United States.

II. JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §1332(a)(2), because the amount in controversy, exclusive of interest and costs, exceeds \$75,000 and because the members of CB1 are citizens of the United States while 4Front Ventures is a Canadian corporation.

6. This Court has personal jurisdiction over 4Front Ventures because 4Front Ventures consented to personal jurisdiction in the Southern District of New York through Section 10.9 of the Agreement, which states that each of the parties hereto “accepts for themselves the exclusive jurisdiction of [the state courts of New York County, New York, or the federal court of the Southern District of New York]”.

7. Venue is proper in the Southern District of New York pursuant to Section 10.9 of the Agreement, which states that “[a]ny judicial proceeding seeking to enforce any provision of,

or based on any right arising out of, this Agreement may be brought only the state courts of New York County, New York, or the federal court of the Southern District of New York”.

III. FACTUAL BACKGROUND

8. CB1 is an advisor and consultant that specializes in advising companies within the supply chain of cannabinoid-based wellness solutions, products and therapies that address a wide range of unmet medical conditions or have commercial use-cases.

9. Upon information and belief, 4Front Ventures manufactures and distributes cannabis products in the United States.

10. On September 28, 2020, 4Front Ventures entered into the Agreement pursuant to which CB1 would provide to 4Front Ventures advice and other consulting services.

11. On August 2, 2023, CB1 and 4Front Ventures executed the First Amendment modifying the terms in the Agreement. Among the changes made by the Amendment were the extension of the end of the Second Renewal Term of the Agreement from September 30, 2023 to March 31, 2025 (Exhibit B, Sec. 1(a); Exhibit A, Sec. 1.2), the lowering of the Base Consulting Fee to \$10,000 monthly in cash for the months of April 2023 through the end of the Second Renewal Term (Exhibit B, Sec. 1(b); Exhibit A, Sec. 6.2.1); and directing that for the months of June 2023 through March 2025, “strategy calls with members of the Consultant’s team” shall be scheduled once every two weeks rather than once weekly (Exhibit B, Sec. 1(c), Exhibit A, Sec. 3.1(x)).

12. On September 1, 2023, CB1 and 4Front Ventures executed the Second Amendment modifying the terms in the Agreement to clarify that the “Base Option Award” due to CB1 for the Second Renewal Term would be satisfied by 4Front Ventures’ issuance of 750,000 warrants at a strike price of CAD \$0.14 in the form previously agreed to between the parties and that for any

period after the Second Renewal Term, the Base Consulting fee shall only be comprised of a Base Cash Consulting Fee. (Exhibit B, Sec. 1, Exhibit A, Sec 6.2.1).

13. From September 2020 through present, CB1 has performed its obligations under the Agreement, the First Amendment and the Second Amendment.

14. Nonetheless, 4Front Ventures is currently in default in the amount of \$220,000 in connection with outstanding consulting fees for the period from December 2023 through May 2025. Attached hereto as **Exhibit D** is a copy of the most recent invoice that was issued to 4Front Ventures on or about June 2, 2025 (hereinafter “June 2, 2025 Invoice”).

15. Under Section 6.2.2 of the Agreement, “the Base Cash Consulting Fee shall be invoiced by the [CB1] monthly in advance and shall be payable by [4Front Ventures] in accordance with [4Front Ventures’] normal business practices, but in no event shall any disputed amounts be paid more than thirty (30) days after receipt of such invoice.” (See **Exhibit A**, Sec. 6.2.2).

16. However, to date, CB1 has received no payments of the Base Consulting Fees owed by 4Front Ventures in connection with the outstanding balances as set forth pursuant to the July 2, 2025 Invoice.

17. Pursuant to Section 1.2 of the Agreement, “[u]pon the expiration of the Initial Term, provided this Agreement has not been terminated by the Company or the Consultant pursuant to the terms of this Agreement, the Term shall be automatically extended for successive one (1) year terms (each, a “Renewal Term”) unless either the Company or the Consultant gives the other a written notice of non-renewal at least sixty (60) days prior to the expiration of the Initial Term or the applicable Renewal Term...” (See **Exhibit A**).

18. Pursuant to Section 1(a) of the First Amendment, the Second Renewal Term ended on March 31, 2025. See **Exhibit B**. Given that 4Front Ventures never provided any written notice

of non-renewal to CB1, the Second Term has automatically been renewed from the end of the Second Renewal Term on March 31, 2025, for a new Renewal Term of one (1) year, and the new ending date of the Term of the Agreement is March 31, 2026.

19. Section 7.2(ii) of the Agreement directs that “[i]n the event the Company or any successor Company terminates the Consultant [. . .] or if the Consultant terminates due to a material breach by the Company of a material obligation hereunder [. . .] the Company shall [. . .] pay to the Consultant, in one lump sum in cash, an amount equal to the remaining Base Bash Consulting Fees that otherwise would be payable to the Consultant for the remainder of the Term in the absence of such termination.” *See Exhibit A.*

20. As such, 4Front Ventures owes to CB1 a total of \$400,000, including \$220,000 in connection with amounts previously invoiced (*see Exhibit D*) as well a lump sum in the amount of \$180,000 in connection with nine (9) additional Base Consulting Fee payments in the amount of \$20,000¹ each.

FIRST CAUSE OF ACTION
(For Breach of Contract)

21. CB1 repeats and realleges each and every allegation set forth in paragraphs 1 through 20 above, as if fully set forth herein.

22. CB1 and 4Front Ventures entered into a contract for which there was adequate consideration.

¹ Pursuant to 6.2.1 of the Agreement, the Base Consulting Fee is \$20,000. Though the First Amendment provides that the Base Cash Consulting Fee shall be reduced to \$10,000 through the end of the Second Renewal Term, the Second Renewal Term ended on March 31, 2025, and as such the Base Consulting Fee reverted to \$20,000 on April 1, 2025.

23. CB1 complied with the terms and conditions of the contract, performing its services under the Agreement, the First Amendment and the Second Amendment in good faith and for the benefit of 4Front Ventures.

24. 4Front Ventures breached the Agreement, the First Amendment and the Second Amendment in failing, refusing, and/or neglecting to pay the full amount due to CB1.

25. To date, 4Front Ventures has failed to make full payment to CB1 pursuant to several invoices delineated *supra*.

26. Because of the foregoing, 4Front Ventures has breached the contract, and CB1 is entitled to the sum of \$400,000.

27. Under the Agreement, a “prevailing party [in a litigation relating to the subject matter of the Agreement] shall be entitled to receipt from the losing party of all reasonable out-of-pocket attorneys’ fees and costs related thereto.” (Exhibit A, Sec. 10.8).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff CB1 Capital Advisors respectfully prays that the Court:

- A. Award CB1 compensatory damages of \$400,000 under the Agreement and Amendment, plus interest;
- B. Award CB1 its costs and expenses, including attorneys’ fees incurred in this action;
and
- C. Grant such other and further relief as to the Court is just, proper, and equitable.

Dated: New York, New York
June 5, 2025

Respectfully submitted,

s/ Richard C. Schoenstein

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